

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 AGRE-00 AID-05 CIAE-00 COME-00
EB-08 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00
XMB-02 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05
SS-15 STR-04 CEA-01 IGA-02 IO-13 PA-01 PRS-01
L-03 /098 W

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FM AMEMBASSY DACCA

TO SECSTATE WASHDC PRIORITY 5867

C O N F I D E N T I A L DACCA 4655

PASS AID AND USDA

E.O. 11652: ADS 12/12/78

TAGS: EAID, EAGR, BG

SUBJECT: BANGLADESH FOOD DISTRIBUTION

SUMMARY. THIS WEEK FOOD ADVISOR MOMAN KHAN BIREFED U.S., AUSTRALIAN, AND CANADIAN MISSIONS ON CHANGING BANGLADESH FOOD PICTURE. HE SEES FOODGRAIN NEEDS FOR NEXT YEAR AS BEING 500,000 TONS ABOVE BDG ASSESEMENT AT PARIS MEETING. ALL THREE MISSIONS REACTED SIMILARLY I.E. WITH RESERVE. NO EVIDENCE SUGGEST THAT FURTHER DONOR ACTIVITY IS REQUIRED BEFORE BDG PRESENTATI ON IN DECEMBER TO FOOD DONORS. END SUMMARY.

1. IN MEETING WITH NEW FOOD ADVISOR MOMAN KHAN AUGUST 18, USAID DIRECTOR TONER WAS BRIEFED AS FOLLOWS:

A. NEW BDG ASSESSMENT OF BORO CROP SUGGESTS PREVIOUS 1.9 MILLION TON ESTIMATE AS TOO HIGH BY 300,000 TONS.
B. INCREASING POCKETS OF FOOD SHORTAGE ARE BEING REPORTED IN SEVERAL PARTS OF BANGLADESH. TO MEET THIS SITUATION BDG PLANS INCREASE OF OFFTAKES BY ROUGHLY 200,000 TONS THOUGH
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DECEMBER, 1977, MOST OF WHICH WILL BE TARGETED THROUGH MODIFIED RATION SYSTEM.

C. BDG HOPES U.S. WILL RESPOND SYMPATHETICALLY IN THE FY 1978 TITLE I PROGRAM TO THE NEW FOOD SITUATION. BDG WOULD LIKE TO HAVE U.S. FOOD GRAINS ARRIVE BETWEEN FEBRUARY AND APRIL 1 OF NEXT YEAR.

D. NO ADDITINAL COMMERCIAL PURCHASES ARE CONTEMPLATED

THIS CALENDAR YEAR.

2. IN RESPONDING TO THE FOOD ADVISOR, TONER OBSERVED THAT U.S. AWARE OF POCKETS OF DISTRESS RELATING TO DISTRIBUTION PROBLEMS FACED BY THE FOOD MINISTRY EVEN THOUGH COUNTRY FOOD STOCK LEVELS ARE ADEQUATE. TONER ADDED THAT MANY OF THE PEOPLE IN DISTRESSED AREAS MAY NOT HAVE PURCHASING POWER TO BUY FOOD-GRAINS UNDER THE MODIFIED RATION SYSTEM EVEN IF LOCAL GODOWNS WERE FULL. THUS, THE GOVERNMENT WOULD HAVE TO TURN TO RELIEF DISTRIBUTION. IN THIS CONTEXT TONER NOTED FOOD MINISTRY DATA FOR RELIEF DISTRIBUTION IN JULY SHOWED A CONTINUING DECLINE DESPITE REPORTS OF DISTRESS. TONER ALSO EXPRESSED CONCERN THAT THE HEAVY SCHEDULE OF FOOD ARRIVALS IN COMING MONTHS MAY IMPEDE BDG EFFORTS TO SECURE DOMESTIC AMAN HARVEST FOR LACK OF STORAGE SPACE.

3. IN RESPONSE KHAN SAID PROCUREMENT TARGET REMAINS 500,000 TONS; HOWEVER, IT IS VERY DIFFICULT IN A VOLUNTARY PROGRAM TO ASSURE THAT ANY GIVEN TARGET WILL BE MET. HE SAID HE HOPES FOR USG UNDERSTANDING. KHAN SAID BDG EFFORTS TO STRIKE WEALTHY RATION CARD HOLDERS FROM BDG LISTS IS UNDERWAY AND WILL BECOME EFFECTIVE IN JANUARY. HE ADDED FOOD MINISTRY WILL TAKE ACTION STEPS TO REMOVE ADMINISTRATIVE ROADBLOCKS TO EFFECTIVE PROCUREMENT FROM SMALL FARMERS.

4. THE AUSTRALIAN MISSION REPORTED SKEPTICISM THAT THE EX-CONFIDENTIAL

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TENSION OF A MODIFIED RATION SYSTEM WOULD COINCIDE WITH AREAS OF DISTRESS IN FARIDPUR AND BARISAL. THEY ARE CONCERNED THAT SPREAD OF RATION SYSTEM TO NEW AREAS WILL MAKE IT MORE DIFFICULT FOR BDG TO CUT BACK ON RATION SYSTEM IN FUTURE. THEY SEE DOMESTIC POLITICAL CONSIDERATIONS PLAYING A SIGNIFICANT ROLE IN BDG DECISION TO EXTEND MODIFIED RATION SYSTEM.

5. CANADIAN HIGH COMMISSION SHARES THE SKEPTICISM OF AUSTRALIANS AND OBSERVES THAT KHAN SEEMS TO BE PREOCCUPIED WITH SHORT-TERM ISSUES RATHER THAN WITH LONGER-TERM POLICY GOALS. THEY, LIKE THE AUSTRALIANS AND THE U.S. MISSION HAVE BEEN WATCHING INCREASING NEWSPAPER REPORTS ON UNION PARISHAD CHAIRMEN SELLING FOODGRAINS DESIGNED FOR GRATUITOUS RELIEF OR FOOD FOR WORK PROJECTS. THEY BELIEVE IT WILL BE VERY DIFFICULT FOR BDG TO CONTROL CORRUPTION IN RELIEF DISTRIBUTION SYSTEM.

COMMENT: REPORTS OF CORRUPTION HAVE BECOME INCREASINGLY FREQUENT AND WILL BE SUBJECT OF SEPTTEL. WE FEEL FOOD ADVISOR INTENT IN CALLING IN PRINCIPAL FOOD HONORS IS TO BEGIN PREPARATION FOR DECEMBER DONOR MEETING AND LAY THE GROUNDWORK FOR SUBSTANTIALLY GREATER FOOD REQUESTS FOR FY 78. AT

A TIME WHEN FOOD STOCKS ARE VERY HIGH AND THE BDG MANAGEMENT OF FOOD DISTRIBUTION IS QUESTIONABLE, WE BELIEVE THAT THE BEST COURSE TO FOLLOW IS TO CONTINUE ON THE PATH OUTLINED BY USDEL IN PARIS AND ANALYZE BDG PRESENTATION IN DECEMBER BEFORE DEVELOPING NEW POLICY RECOMMENDATIONS. OF COURSE IF A NATURAL DISASTER SHOULD OCCUR WE WOULD, AS USUAL, UNDERTAKE TO DO OUR PART IN WHATEVER EXTRAORDINARY EFFORT MAY BE CALLED FOR.

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Message Attributes

Automatic Decaptioning: X
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Review Withdrawn Fields: n/a
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Subject: BANGLADESH FOOD DISTRIBUTION SUMMARY. THIS WEEK FOOD ADVISOR MOMAN KHAN BIREFED U.S., AUSTRALIAN, AND CANADIAN MISSIONS ON CHANGING BANG
TAGS: EAID, EAGR, BG
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